

# Highlights of the 2001-02 Governor's Budget



January 2001



This document provides a summary of significant budget and program changes proposed for the California Department of Social Services in Fiscal Year 2001-02. A more complete presentation of these proposals may be found in the <u>Governor's Budget Summary 2001-02</u> and in the <u>Governor's Budget 2001-02</u>.

The California Department of social Services is responsible for the direct operation or supervision of a wide variety of social services and income assistance programs. The Department accomplishes its mission through staff located in offices throughout the state, the 58 county welfare departments and a host of community based organizations. The programs of this Department are typically managed and funded through a broad based partnership of federal, state, and county governments. For2001-02, the Department will be involved in the delivery of over \$19 billion in government services and benefits to over three million Californians.

The Department administers four major program areas: welfare programs, social services, community care licensing, and disability evaluation. The goals of the Department are to:

- •Provide temporary assistance including cash and services to families with needy children to encourage attainment of family self-sufficiency by moving from welfare to permanent work.
- •Provide social services to elderly, blind, disabled and other adults and children; protect them from abuse, neglect, and exploitation; and help families stay together.
- •Regulate group homes, nurseries, preschools, foster homes, and day care facilities and assure that they meet established standards for health and safety.
- •Evaluate the eligibility of applicants for federal and state programs to aid the aged and disabled in an efficient and equitable manner.

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#### **CaIWORKs**

The Budget includes funding for the California Work Opportunity and Responsibility to Kids (CalWORKs) Program which was implemented on January 1, 1998 pursuant to Chapter 270, Statutes of 1997 (AB 1542). CalWORKs is California's version of the federal Temporary Assistance for Needy Families (TANF) Program.

CDSS estimates the caseload for CalWORKs will continue to decline through 2001-02. Average monthly cases are estimated to drop from 521,267 cases in 2000-01 to 494,001 cases in 2001-02. A total of \$3.198 billion is included for Assistance Payments. This represents a decrease of \$54.4 million over 2000-01.

The Budget provides \$867.8 million to fund the CalWORKs employment services component that includes \$2.8 million for a new program, Substance Abuse Services, Mental Health Services and Indian Health Clinics, of which \$1.7 million is redirected from Substance Abuse Services funding. Funding in the current year reflects the utilization of the General TANF Reserve for the approved county reconsideration requests that were prorated to the available \$50.4 million. The budget includes \$91.6 million due to the full year of allowable costs as approved through the reconsideration process. County Performance Incentives are reduced to zero in 2001-02, in order to provide a \$91.6 million augmentation for the reconsideration process.

The CDSS Budget includes a total of \$1.028 billion for CaIWORKS child care. This total includes: 1) \$568.4 million for Stage I Child Care; 2) \$565.9 million transferred to the California Department of Education for CalWORKs Stage II Child Care; and 3) \$100 million held in reserve to be used either in Stage I and/or II Child Care, depending on need. The reserve was reduced to fund a \$100.3 million increase in Stage I Child Care.

#### **CHILD WELFARE SERVICES**

The 2001-02 Budget continues critical funding to strengthen Child Welfare Services, Foster Care, Adoptions and Child Abuse Prevention. Funding for Kin-GAP totals \$55.6 million in 2001-02, offset by \$76.2 million in savings in CalWORKs assistance payments, foster care, child welfare services, and related administrative costs. Kin-GAP caseload increases from an average monthly figure of 5,867 in 2000-01 to 8,644 in 2001-02.

#### SSI/SSP - ADULTS - IHSS

The Budget proposes \$4.423 billion in federal funds, \$2.870 billion in General Fund is budgeted for SSI/SSP in 2001-02 which includes funding for a 2.2 percent increase in caseload. CDSS estimates there will be 1,110,605 average monthly SSI/SSP cases during 2001-02. The budget includes \$156.5 million in General Fund for a cost-of-living adjustment effective January 1, 2002, based on a CNI increase of 4.85 percent and a Consumer Price Index increase of 2.1 percent. In addition, \$97.6 million is included for the CAPI program, an increase of \$40.6 million over the 2000-01 Appropriation. The increase is due to fewer cases shifting from CAPI to SSI/SSP as a result of new SSI/SSP eligibility rules. The projected average monthly caseload for the CAPI program in 2001-02 is 12,244.

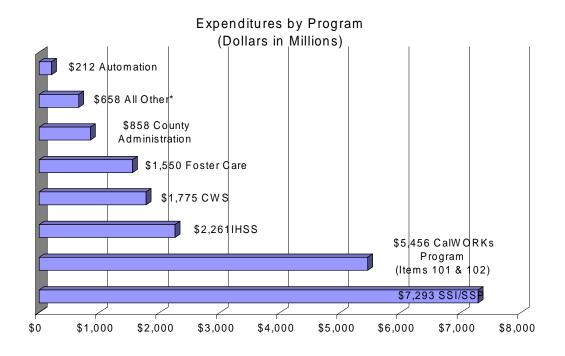
The Governor's Budget includes an increase of \$24.2 million General Fund over the 2000-01 Appropriation for the Adult Protective Services (APS). The 2001-02 budget also includes \$0.5 million in new funding to develop a training curriculum for the adult protective services program.

The 2001-02 budget includes \$202.7 million in total funds for the minimum wage increases on January 1, 2001 and January 1, 2002.

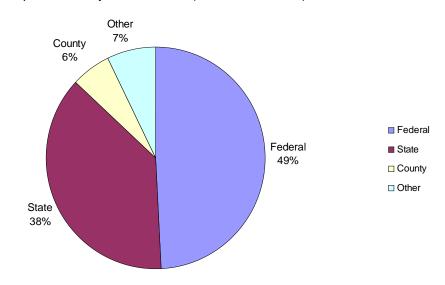
#### **AUTOMATION PROJECTS**

The Budget includes a total of \$7.8 million for consultant services, technical support and software to increase state oversight of automation projects. These funds include \$22.9 million for the continuing maintenance and operations of the Interim SAWS, \$41.1 million for implementation of a Welfare Client Data System and \$21.5 million for the remaining implementation and beginning maintenance and operations costs of the Los Angeles Eligibility Automated Determination, Evaluation and Reporting System.

# EXPENDITURES OVERVIEW 2001-02



#### Expenditures by Fund Source (Dollars in Millions)



# Major Program Premised Caseload Changes

(A verage Monthly)							
PROGRAM	ACTUAL CASELO AD 1999-2000	ESTIM ATED C ASELO AD 2000-01	ESTIMATED CASELOAD 2001-02	2000-01 TO 2001-02 CHANGE			
				Number	Percent		
C alW O RK s/TAN F	575,143	521,267	494,001	-27,266	-5.2%		
SSI/SSP - TOTAL	1,061,207	1,086,461	1,110,605	24,144	2.2%		
SSI/SSP - Aged	329,381	334,810	339,149	4,339	1.3%		
SSI/SSP - Disabled	709,977	729,768	749,514	19,746	2.7%		
Foster Care	85,766	80,920	78,071	-2,849	-3.5%		
IHSS	233,422	248,999	265,026	16,027	6.4%		

#### California Work Opportunity and Responsibility to Kids Program - CaIWORKs

#### **Program Description**

The CalWORKs Program is California's largest cash assistance program for children and families, providing financial help tofamilies to meet basic needs (shelter, food and clothing) when they are unable to meet those needs on their own. The Ca1WORKs program replaced the Aid to Families with Dependent Children (AFDC) Program and represents a new welfare system based upon principles that place high value on recipients obtaining work and provides maximum county flexibility in the delivery of services and administration. Eligible families must include a child under age 18 who lacks parental care and support due to absence, death, incapacity or the unemployment of one or both parents. Assistance is specifically time limited and most recipients are required to work a minimum number of hours per week. The necessary supportive services, including child care, are provided to ensure employment is possible.

#### **Major Changes for 2001-02:**

#### CalWORKs Assistance

- Total funding for CalWORKs assistance payments amounts to \$3.198 billion in 2001-
- 02 (\$54.4 million less than the 2000-01 Appropriation). Average monthly final caseload declines from 521,267 cases in 2000-01 to 494,001 in 2001-02, a drop of 5.2 percent.
- A cost-of-living adjustment to the MAP of 4.85 percent, effective October 1, 2001, is included in the budget at a cost of \$131.6 million. The increase is based on the California Necessities Index (CNI).
- Savings associated with the minimum wage increases on January 1, 2001 (\$6.25) and January 1, 2002 (\$6.75) are included, totaling \$30.8 million in 2001-02.

#### **CalWORKs Services**

- CalWORKs Basic costs are budgeted at \$867.8 million (\$116.4 million more than the 2000-01 Appropriation).
- Funding in the current year reflects the utilization of the General TANF Reserve for the approved county reconsideration requests that were prorated to the available \$50.4 million.
- The budget year includes \$91.6 million due to the full year of allowable costs as approved through the reconsideration process.
- County Performance Incentives are reduced to \$97 million in the current year (down from \$250 million in the Appropriation), which is sufficient to cover the remaining obligation to the counties for incentives earned through 1999-00.
- County Performance Incentives are reduced to zero in 2001-02, in order to provide the \$91.6 million augmentation due to the reconsideration process, and to fund a General TANF Reserve of \$84.9 million.
- \$2.8 million is included for a new program, Substance Abuse and Mental Health Services for Indian Health Clinics, of which \$1.7 million is redirected from Substance Abuse Services funding.
- The Department received \$36.1 million in High Performance Bonus funding, \$20 million of which is passed to the Department of Health Services in 2001-02 with the balance going to the General TANF Reserve.
- The 2001-02 budget assumes savings of \$142.5 million to CalWORKs Services, equal to 75 percent of the federal Welfare-to-Work funding and the General Fund match.

#### **CalWORKs Administration**

Funding for CalWORKs Administration is \$414.6 million in 2001-02 (\$71.9 million less than the 2000-01 Appropriation).

Savings of \$20.0 million in administrative costs are assumed due to quarterly

reporting authorized under AB 510.

The 2001-02 budget reflects a reduction of \$256.0 million (a \$64.6 million greater reduction than the 2000-01 Appropriation) due to a change in the methodology used to shift administrative costs from public assistance food stamps to non-assistance food stamps.

#### CalWORKs Child Care

- In the current year, funding for Stage One child care is increased by \$100.3 million to a total of \$568.4 million, as more cases are remaining in Stage One. The current year Child Care Reserve is reduced by \$100.3 million to fund this increase.

  The amount budgeted for Stage One child care in 2001-02 is \$565.9 million. In
- addition, \$46.4 million of the estimated need is included in the Child Care Reserve.
- The amount budgeted for Stage Two in 2001-02 is \$506.4 million, which includes a transfer of \$271.9 million in TANF from this Department. In addition, \$42.1 million of the estimated need is included in the Child Care Reserve.
- There is a Child Care Reserve in 2001-02 of \$100 million, which includes a hold back of \$46.4 million from Stage One and a hold back of \$42.1 million from Stage Two.
- Funding for Stage Three in the budget year is \$157.4 million, up from \$115.7 million in the current year. None of this funding is provided by CDSS.

#### Supplemental Security Income/State Supplementary Payment Program - SSI/SSP

#### **Program Description**

The Supplemental Security Income/State Supplementary Payment (SSI/SSP) Program provides cash grant assistance to aged, blind or disabled persons who meet the program's income and resource requirements. The SSI/SSP Program is administered by the federal Social Security Administration which determines eligibility, computes grants and disburses the combined monthly payment to recipients. California supplements the federal SSI payment with an SSP payment. Chapter 329, Statutes of 1998, established the state-only Cash Assistance Program for Immigrants (CAPn to provide cash benefits to documented persons who are not eligible for federal SSI/SSP benefits. Chapter 147, Statutes of 1999 (AB 1111) removed the sunset date for CAPI and continues CAPI for as long as SSI/SSP is authorized by the federal government. State funds are also used to meet special nonrecurring needs to maintain individuals in their own homes.

#### **Major Changes for 2001-02:**

- In addition to \$4.423 billion in federal funds, \$2.870 billion in General Fund is budgeted for SSI/SSP in 2001-02 (\$222.1 million more than the 2000-01 Appropriation).
- Average monthly caseload grows from 1,086,461 in 2000-01 to 1,110,605 in 2001-02, an increase of 2.2 percent.
- The budget includes \$156.5 million in General Fund for a cost-of-living adjustment effective January 1, 2002, based on a CNI increase of 4.85 percent and a Consumer Price Index increase of 2.1 percent.
- \$97.6 million is included for the CAPI program, an increase of \$40.6 million over the 2000-01 Appropriation. The increase is due to fewer cases shifting from CAPI to SSI/SSP as a result of new SSI/SSP eligibility rules.

#### **Child Welfare Services - CWS**

#### **Program Description**

Child Welfare Services provides emergency, in-home care and out-of-home care services for abused and neglected children and their families. The Department of Social Services meets these objectives by providing a continuum of care with Emergency Response, Family Maintenance, Family Reunification and Permanent Placement Service components.

#### **Major Changes for 2001-02:**

- Total funding for Children's Services amounts to \$1.879 billion in 2001-02 (\$70.4 million more than the 2000-01 Appropriation).
- Emergency workload relief funding of \$124.9 million (\$74.3 million GF) is continued in 2001-02.
- New funding of \$0.4 million for the recruitment and retention of social workers in smaller counties is included for 2001-02.

#### **Foster Care Program**

#### **Program Description**

The Foster Care Program provides support payments for children in out-of-home care. This program is administered by the counties in accordance with regulations, standards and procedures set by the Department as authorized by law. Costs for this program are adjusted for Child Support Enforcement Program collections and incentives.

#### Major Changes for 2001-02:

- Total funding for foster care payments amounts to \$1.550 billion in 2001-02 (\$45.4 million more than the 2000-01 Appropriation).
- Average monthly caseload declines from 80,920 in 2000-01 to 78,071 in 2001-02, a decrease of 3.5 percent.
- \$72.0 million is included for a 4.85 percent CNI cost-of-living adjustment for foster family homes, group homes, and foster family agencies, effective July 1, 2001.

#### **In-Home Supportive Services - IHSS**

#### **Program Description**

The In-Home Supportive Services (IHSS) Program provides specified supportive services to enable eligible persons to remain in their own homes as an alternative to out-of-home care. Eligible persons are aged, blind or disabled recipients of public assistance and similar persons with low incomes. Services include: domestic services and other related services such as meal preparation, laundry, shopping and errands; personal care services; assistance while traveling to medical appointments or to other sources of supportive services; protective supervision; teaching and demonstration directed at reducing the need for supportive services; and certain paramedical services ordered by a physician.

#### **Major Changes for 2000-01:**

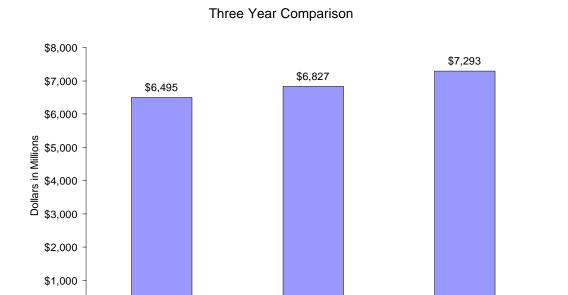
- Total funding for IHSS services and administration amounts to \$2.261 billion in 2001-02 (\$170.6 million more than the 2000-01 Appropriation).
- Average monthly caseload grows from 248,999 in 2000-01 to 265,026 in 2001-02, an increase of 6.4 percent.
- The 2001-02 budget includes \$202.7 million in total funds for the minimum wage increases on January 1, 2001 and January 1, 2002.
- The 2001-02 budget also includes \$198 million total funds for public authority wage increases above the minimum wage and for benefits.
- For 2001-02, the Budget estimates that General Fund revenues will grow by less than the requisite five percent, and thus the public authority rate receiving state funding participation will not be increased by \$1 as otherwise authorized by statute.

#### **Other Program**

#### DISABILITY EVALUATION PROGRAM

The Disability Evaluation Program exists to determine the medical, vocational, and functional eligibility of California residents applying for disability benefits under Title II of the Social Security Act (Disability Insurance), Title XVI (Supplemental Security Income), and Title XIX (Medicaid). The definition of disability and the rules and regulations regarding adjudication of disability cases are provided by the Social Security Administration. Analytical staff and medical consultants in the CDSS Disability and Adult Programs Division determine the severity of the applicant's physical and/or mental impairments and their overall ability to engage in substantial gainful employment.

# Supplemental Security Income/State Supplementary Payment

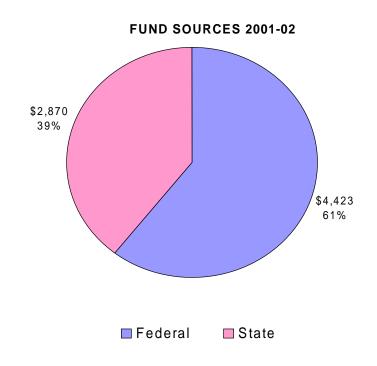


2000-01

2001-02

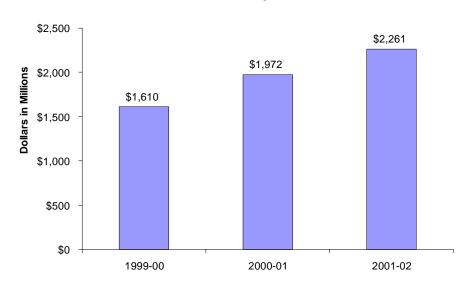
\$0

1999-00

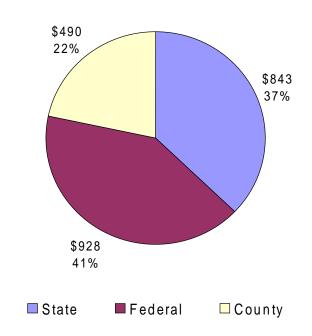


# In-Home Supportive Services

#### **Three Year Comparison**

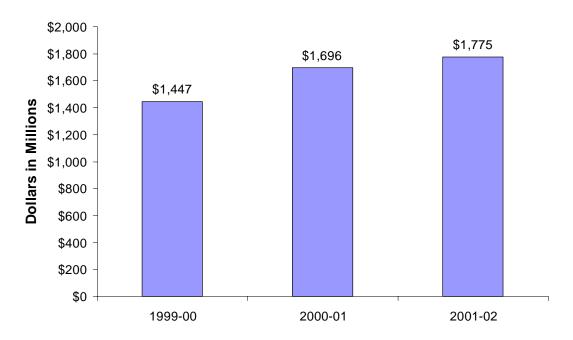


#### **FUND SOURCES 2001-02**

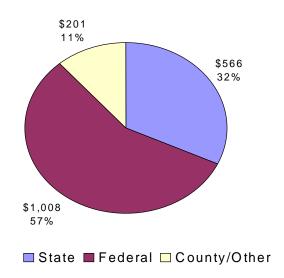


## Child Welfare Services

#### **Three Year Comparison**

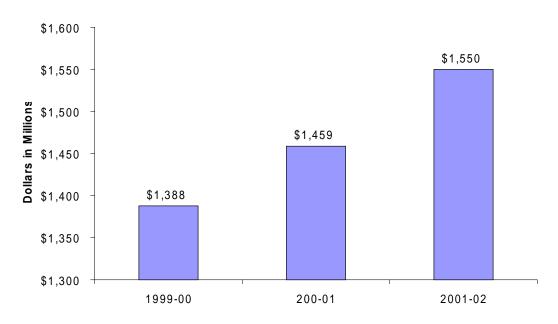


#### FUND SOURCES 2001-02

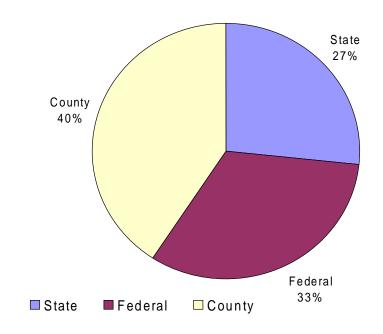


## Foster Care

#### Three Year Comparison

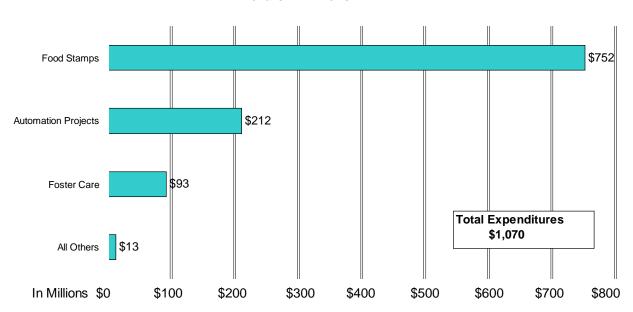


#### FUND SOURCES 2001-02

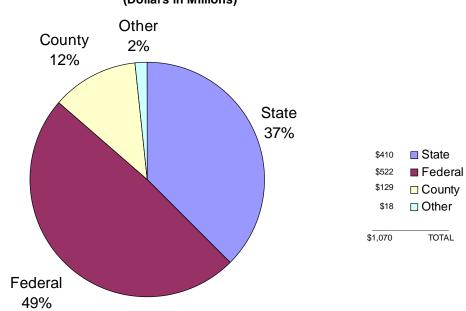


## **COUNTY ADMINISTRATION**

# Expenditure by Program Dollars in Millions

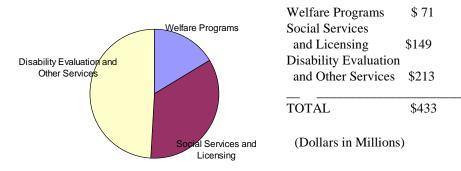


# Fund Sources 2001-02 (Dollars in Millions)



# State Operations 2001-02

#### **Program Costs**



#### **Three Year Comparison**

